

DEC 7 9 25 AM '98

REQUESTED BY:

BK 79 PG 425
W.E. DAVIS CH. CLK.

AFTER RECORDATION RETURN TO:

BRIDGFORTH & BUNTIN

1607 State Line Road

Southaven, Mississippi 38671

Attn: Dudley Bridgforth

601-393-4450

RETURN BY: MAIL (X) PICK UP ()

FAZOLI'S/Southaven, De Soto County, Mississippi

MEMORANDUM OF LEASE

This Memorandum of Lease is made as of November 10, 1998, by and between **CNL APF PARTNERS, LP**, a Delaware limited partnership with principal office and place of business at 400 E. South Street, Suite 500, Orlando, Florida 32801 ("Landlord"), and **FAZ III, LLC**, a Mississippi limited liability company, with a mailing address of 3936 Carrie Brook Cove, Bartlett, Tennessee 38135 ("Tenant").

In consideration of TEN AND NO/100 DOLLARS (\$10.00) and other valuable consideration paid by Tenant to Landlord and the mutual covenants contained in that certain Lease Agreement between the parties hereto dated on even date herewith as amended by that certain Lease Amendment Agreement between the parties hereto and approved by Fazoli's Systems, Inc. ("FSI") on even date herewith (hereinafter called the "Lease"), Landlord has leased and does hereby lease to Tenant, and Tenant has hired and does hereby hire from Landlord, upon the terms and conditions set forth in said Lease, the real property more particularly described in Exhibit "A" attached hereto and made a part hereof (the "Premises").

The term of the Lease is twenty (20) years commencing on the date hereof and ending on November 9, 2018. Said Lease provides for options to renew for four (4) five (5) year terms. Tenant shall not allow any mechanic's lien or similar type of lien to be filed against the Premises.

Tenant has the first right of refusal to purchase the Premises and an option to purchase the Premises during the term of the Lease and any renewals or extensions thereof upon the terms and conditions set forth in the Lease.

FSI has the right to assume the Tenant's leasehold interest in the Premises and the right to acquire title to the Improvements and the furniture, fixtures, equipment and other personal property of Tenant upon (i) Tenant's financing default under the Franchise Agreement between Tenant and FSI, (ii) Tenant's proposed assignment of its leasehold interest in the Premises, (iii) Tenant's default under the Franchise Agreement between Tenant and FSI, or (iv) termination or expiration of Tenant's Franchise Agreement with FSI.

[Signatures on Next Page]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Memorandum of Lease to be executed and sealed as of the date first above written.

"LANDLORD"

Signed, Sealed and Delivered
in the presence of:

CNL APF PARTNERS, LP, a Delaware
limited partnership

BY: **CNL APF GP Corp.**, a Delaware
corporation, as general partner

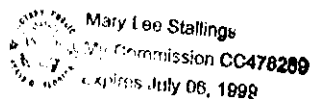
Mary Lee Stallings
Name: Mary Lee Stallings

Maurice Dotson
Name: MAURICE DOTSON

By: [Signature]
Robert A. Bourne, as President

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 9th day of November, 1998, by **Robert A. Bourne**, as President of **CNL APF GP CORP.**, a Delaware corporation, as General Partner of **CNL APF PARTNERS, LP**, a Delaware limited partnership, on behalf of the corporation and limited partnership. He is personally known to me and did not take an oath.



Mary Lee Stallings
Notary Signature

Printed Name _____
Notary Public, State of Florida
Commission Number: _____
My Commission Expires: _____

"TENANT"

FAZ III, LLC, a Mississippi limited liability company

C. Jonathan Garrett
Name: C. Jonathan Garrett

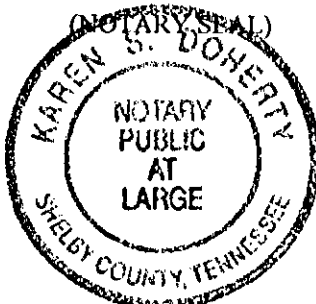
J. Allen Roberts
Name: J. Allen Roberts

By: *Shane Cougle*
Name: Shane Cougle
As Its: Chief Officer

STATE OF TENNESSEE

COUNTY OF Shelby

Before me, the undersigned authority, a Notary Public in and for the State and County aforesaid, personally appeared Shane Cougle, with whom I am personally acquainted (or proved to me in the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Chief Officer of Faz III, LLC, the within named bargainor, a corporation (or partnership, or LLC), and that he as such officer (or partners, etc.), being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation (or partnership, or LLC) by himself as such officer (or partner).



My Commission Expires Oct 15 2001

Karen S. Doherty
Notary Public, State of Tennessee
Printed Name: Karen S. Doherty
Notary Commission No. _____
My Commission Expires: _____

Exhibit "A"
Legal Description of the Premises

Lot 11, Second Addition, South Lake Commercial Subdivision in Section 36, Township 1 South, Range 8 West, City of Southaven, DeSoto County, Mississippi, as shown by plat appearing of record in Plat Book 61, Page 19, in the office of the Chancery Clerk of DeSoto County, Mississippi, together with a non-exclusive private access and utility easement as shown on the recorded plat.